

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA**

**Component Unit Financial Statements
And Independent Auditor's Reports
As of and for the Year Ended June 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/30/09

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
Annual Financial Statements
JUNE 30, 2009**

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Independent Auditors' Report

**To the Board Members of the
State Plumbing Board of Louisiana
Department of Labor
State of Louisiana
New Orleans, Louisiana**

We have audited the accompanying financial statements of the business-type activities of the State Plumbing Board of Louisiana (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the business-type activities of the Board as of June 30, 2009, and the respective changes in financial position and cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2009 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report

is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The accompanying management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The Schedule of Funding Progress for Other Postemployment Benefits as listed in the table of contents is presented for purposes of additional analysis as required by the Governmental Accounting Standards Board (GASB) and is not a required part of the basic financial statements. The accompanying supplementary information such as the Division of Administration Reporting Packet, as listed in the table of contents, is presented for purposes of additional analysis and is also not a required part of the basic financial statements of the Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, LLC
Metairie, LA

August 26, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

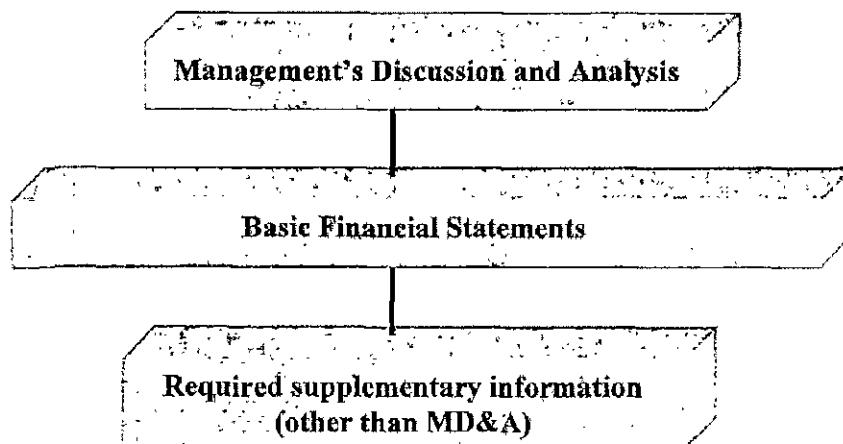
The Management's Discussion and Analysis (MD&A) of the State Plumbing Board of Louisiana's financial performance presents a narrative overview and analysis of the State Plumbing Board of Louisiana's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the information contained in the State Plumbing Board of Louisiana's (the Board's) financial statements.

Financial Highlights

- ★ Net operating income increased by \$135,023 over the prior year a percentage of 111.66%%.
- ★ The Board recorded long-term debt for the other post employment benefits liability for retiree's benefits in the amount of \$ 109,350 as required under Government Accounting Standards Board Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This accrual represents 95% of beginning net assets and 87% of the Board's ending net assets. See footnote 6 for further discussion.
- ★ Net assets as of June 30, 2009 are \$ 125,155, which is an increase from the previous year in the amount of \$ 29,235 or 30.48%.

Overview of the Basic Financial Statements

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.



These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statements of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (pages 8-9) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (page 10) presents information showing how the Board’s assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until fiscal periods.

The Cash Flow Statement (pages 11-12) presents information showing how the Board’s cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

Financial Analysis of the Entity

The following presents condensed financial information on the operations of the Entity:

	Total	
	2009	2008
Current and other assets	\$ 267,940	\$ 243,395
Capital assets (net of accumulated depreciation)	12,163	-
Total assets	280,103	243,395
Current liabilities	32,953	48,812
Long-term debt outstanding (compensated absences)	121,995	98,663
Total liabilities	154,948	147,475
Net assets		
Invested in capital assets, net of debt	12,163	-
Restricted	-	-
Unrestricted	112,992	95,920
Total net assets	\$ 125,155	\$ 95,920
Operating Revenues	\$ 624,073	\$ 645,004
Operating Expenses	(596,153)	(752,107)
Operating income	27,920	(107,103)
Non-operating revenues (expenses)	1,315	1,853
Income before transfers	29,235	(105,250)
Transfers in	-	-
Transfers out	-	-
Net increase (decrease) in net assets	\$ 29,235	\$ (105,250)

The Board does not have any restricted net assets.

Net assets of the Board increased by \$ 29,235 or 30.48%, from June 30, 2008 to June 30, 2009. The increase was due primarily to a decrease in operating expenses in the amount of \$155,954.

Capital Assets and Long Term Debt Administration

Capital Assets

As of June 30, 2009, the Board had \$ 45,659 invested in a vehicle, furniture, fixtures, and office equipment, and computer equipment and software. There was an addition of \$14,034 from the prior year - net book value as of June 30, 2009 amounted to \$ 12,163.

Long Term Debt

The Board has long-term debt outstanding at year-end for compensated absences (leave) in the amount of \$ 12,645 and other post employment benefits payable in the amount of \$ 109,350.

Variations between Budgeted and Actual Amounts

Total operating revenues were approximately \$116,000 greater than budgeted while total operating expenses were approximately \$156,000 less than budgeted.

Economic Factors and Next Year's Budgets and Rates

The majority of fees collected by the Board have not been increased since 1990. In the regular session of the 2003 and 2004 Louisiana State Legislature, fee increase bills were introduced to the Legislature but failed to pass the House of Representatives.

The Board, aware of a pending deficit, drafted a fee increase bill for the April 2005 Legislative Session, but was unable to get a State Representative to sponsor the bill.

At the June 17, 2005 special board meeting held to discuss the financial crisis, the Board initiated budget cuts. In order to alleviate the current deficits, the Board capped the mileage reimbursement for the state enforcement officers, eliminated two At Large State Inspector positions and the Executive Director voluntarily resigned. The effects of Hurricanes Katrina and Rita have created additional hardships in the rebuilding process.

In March 2006 a fee increase bill was drafted and introduced to the Regular Legislative Session as HB 176. HB 176 was tabled to fend off a hostile takeover attempt by another state agency.

In January 2007 a new Executive Director was hired and the Interim Director retired in February 2007. Under this new administration, staff changes have been made in licensing, enforcement, and accounting. In the August 2007 Board Meeting it was unanimously decided to permanently close the New Orleans office and relocate to the Baton Rouge office. We are headquartered in Baton Rouge, gross salaries were reduced because of these staff changes, and we have been making inter-office budget cuts.

We, the State Plumbing Board of Louisiana, have made and continue to make efforts to maintain the State Plumbing Board of Louisiana as a viable licensing agency. We have accomplished this by maximizing our resources through the strategic budget cuts and the relocation of our administrative office. However, our ability to sustain an adequate balance of board activities and enforcement of the Louisiana Plumbing Law has been and will continue to be adversely affected until the legislature realizes the significance of our financial situation.

The State Plumbing Board through its efforts has sustained the levels of efficiency recently established and has improved continuously through the 2008-2009 year. Significant changes in the enforcement division have been made with a few more to come and have proven to be favorable to the board in the 2008-2009 year. Continued improvement is expected in the 2009-2010 year. In addition to the enforcement changes, the State Plumbing Board of Louisiana plans to introduce a fee increase bill in the 2010 regular legislative session. This is paramount for the Board to uphold the State Plumbing Law. This law protects the health, safety, and welfare of the people of Louisiana. A fee increase is long overdue!

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the State Plumbing Board of Louisiana's finances and to show accountability of the Board for the money it receives.

If you have any questions regarding this report or need additional financial information, contact:

Mr. John Barker
Executive Director
12497 Airline Highway
Baton Rouge, Louisiana 70817

Or call 225-756-3434

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2009**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 194,048
Certificates of deposit	63,194
Receivables (net of allowance)	<u>10,698</u>
Total Current Assets	<u>267,940</u>

CAPITAL ASSETS

Vehicles	20,284
Office equipment	11,341
Computer Equipment & Software	<u>14,034</u>
	45,659
Accumulated depreciation	<u>(33,496)</u>
Total Capital Assets	<u>12,163</u>
Total Assets	\$ <u><u>280,103</u></u>

The accompanying notes are an integral part of this Financial Statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF NET ASSETS (CONTINUED)
JUNE 30, 2009**

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 3,562
Payroll deductions and accrued salary	8,416
Deferred revenue	<u>20,975</u>
Total Current Liabilities	<u>32,953</u>

NONCURRENT LIABILITIES

Compensated absences	12,645
Other post employment benefits payable	<u>109,350</u>
Total Noncurrent Liabilities	<u>121,995</u>
Total Liabilities	<u>154,948</u>

NET ASSETS

Invested in capital assets, Net of related debt	12,163
Restricted for:	
Capital projects	-
Debt service	-
Unrestricted	<u>112,992</u>
Total Net Assets	\$ <u>125,155</u>

The accompanying notes are an integral part of this Financial Statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

OPERATING REVENUES

Licenses	\$ 441,490
Examination fees	121,893
Enforcement actions	34,725
Temporary permits	16,500
Other	9,465
Total Operating Revenues	<u>624,073</u>

OPERATING EXPENSES

Personnel services:	
Board members' per diem	3,000
Salaries	290,534
Employee benefits	83,200
Travel	38,740
Operating services	74,778
Supplies	6,337
Professional services	97,693
Depreciation	1,871
Total operating expenses	<u>596,153</u>
Operating Income	27,920

NON-OPERATING REVENUES (EXPENSES)

Interest revenue	<u>1,315</u>
Total Non-operating Revenues (Expenses)	<u>1,315</u>

Change in Net Assets	29,235
Total Net Assets - beginning	<u>95,920</u>
Total Net Assets - ending	<u>\$ 125,155</u>

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from license fees, permits, and enforcement actions	\$ 611,978
Cash payments for salaries and related benefits	(225,594)
Cash payments to suppliers for goods and services	<u>(355,514)</u>

Net cash provided (used) by operating activities	<u>30,870</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition of capital assets	<u>(14,034)</u>
Net cash provided (used) by capital and related financing activities	<u>(14,034)</u>

Net increase (decrease) in cash and cash equivalents	16,836
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Cash and cash equivalents at beginning of year	<u>177,212</u>
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Cash and cash equivalents at end of year	\$ <u><u>194,048</u></u>
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The accompanying notes are an integral part of this Financial Statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009**

Reconciliation of operating income (loss) to net

Cash provided (used) by operating activities:

Operating loss		\$	27,920
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Depreciation	\$	1,871	
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Changes in assets and liabilities:

(Increase) decrease in receivables	(6,395)
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Increase (decrease) in accounts payable	(10,158)
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Increase (decrease) in deferred revenue	(5,700)
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Increase (decrease) in compensated absences	4,818
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Increase (decrease) in OPEB payable	18,514
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Total adjustments			<u>2,950</u>
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Net cash provided (used) by operating activities		\$	<u><u>30,870</u></u>
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The accompanying notes are an integral part of this Financial Statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

INTRODUCTION

The State Plumbing Board of Louisiana, (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1361-1380. The Board is under the control of the Department of Labor and is a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board is composed of eight (8) members appointed by the Governor of Louisiana for a term of six years. The Board consists of one registered engineer, one plumbing inspector, three master plumbers, and three journeyman plumbers. Each appointment is made from a list of three names submitted by the following:

- The registered engineer and the plumbing inspector by the president of the Louisiana State Board of Health;
- Master plumbers by the Louisiana Association of Plumbing, Heating and Cooling Contractors of Louisiana or its successors;
- Journeyman plumbers by the Louisiana Pipe Trades Association or its successors.

The Board elects from its members a chairman, a vice chairman and a secretary-treasurer for two year terms; the election to be held within thirty days of July 1 in each odd numbered year. The chairman shall vote only in a case of a tie.

As authorized by Louisiana Revised Statute 37:1364, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$ 75.00 per day plus actual expenses. Mileage to and from the member's domicile to the place of the meeting or when otherwise required to travel for official authorized business of the board shall be reimbursed at the rate set by the Division of Administration for state employees pursuant to L.R.S. 39:231.

The Board is charged with the responsibility of licensing and regulating any person engaged in the following trades or businesses in the State of Louisiana:

- Plumbing installation or plumbing work or any character (journeyman plumber)
- Business of a master plumber
- Apprentice plumber
- Installing piping used solely to transport gases for medical purposes

The Board's main office is located in Baton Rouge, Louisiana. The Board's operations are funded entirely through annual self-generated revenues.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. The board applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This new standard was implemented by the Board in 2001 and provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

Reporting Entity

The State of Louisiana is the governing authority and the governmental financial reporting entity for the Board. The financial reporting entity consists of:

- ❖ The primary government (State of Louisiana)
- ❖ Organizations for which the primary government is financially accountable
- ❖ Other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- ❖ Appointing a voting majority of an organization's governing body, and
 - The ability of the State of Louisiana to impose its will on that organization, and/or
 - The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State of Louisiana.
- ❖ Organizations, for which the State of Louisiana does not appoint a voting majority, but are fiscally dependent on the State of Louisiana.
- ❖ Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the state has the ability to significantly influence the designation of management by the Governor appointing the Board members, and public service is rendered within the state's boundaries. The accompanying financial statements represent activity of the Board, and, therefore, are a part of the fund and account group structure of the State of Louisiana and its basic financial statements.

Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations. Basis of Accounting refers to when revenues and expenses are recognized and reported in the financial statements. The accounting and financial reporting treatment applied to the Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

measurement focus. With this measurement focus, all assets and all liabilities associated with operations are included in the Statement of Net Assets.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenue, including all fees and interest revenue of the Board are recognized in the accounting period in which they are earned and become measurable. Operating revenues currently consist of all revenues except interest and “other” revenues.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable. Operating expenses currently consist of all expenses.

Capital Assets

Capital assets with an original cost or donated value of \$ 5,000 or more are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management’s estimate of how long the asset is expected to meet service demands. Straight-line depreciation over a 5-year estimated useful life period is used on automobiles, furniture, fixtures and office equipment. These are the only capital assets of the Board’s office.

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee’s hourly rate of pay at the time of termination. Upon retirement unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. Accumulated sick leave is not paid.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist of all revenues earned at year end and not yet received. These include fees for enforcement actions, NSF checks and interest which are accrued when earned.

Prepaid items

Prepaid items consist of payments to vendors that benefit future reporting periods and are reported on the consumption basis.

Deferred revenues

Deferred revenue consists of examination fees collected prior to the testing dates. The fees are considered earned upon the administration of the test.

Long-term Liabilities

Long-term liabilities include amounts for compensated absences and other post employment benefits that are to be paid in future years.

Cash and cash equivalents

Cash and cash equivalents include demand deposits, petty cash and certificates of deposit with an original maturity of under 90 days and are reported under the financial statement caption "cash and cash equivalents"

Restricted Net Assets

Restricted net assets represent those portions of net assets legally segregated for a specific future use. The Board has no restricted net assets.

Risk Management

The Board pays insurance premiums to the State of Louisiana, Office of Risk Management to cover risks that may occur in normal operations. The state pays premiums to the state's self-insurance program and to various insurance agencies for stop-loss coverage.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrances are not recorded, and therefore, no reservation of net assets is necessary.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash in banks

For reporting purposes, deposits with financial institutions include cash reported on the balance sheet. Under state law, the Board may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposits of state banks organized under the laws of Louisiana, the laws of any other state of the union, or the laws of the United States. Louisiana statutes permit the Board to invest in United States bonds, treasury notes, certificates, or other obligations and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in Louisiana.

GASB Statement No. 40, which amended GASB Statement No. 3, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

- 1) uninsured and uncollateralized,
- 2) uninsured and collateralized with securities held by the pledging financial institution or
- 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

The Board has no deposits that are required to be reported in the three categories listed above.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal bank agent must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The carrying amount of all cash on the Statement of Net Assets totaled \$ 257,242 at June 30, 2009, with petty cash of \$ 200 included in that figure. The bank balance per the bank statement totaled \$ 175,825 at June 30, 2009.

The following is the banking institution, program, and amount of the bank balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Type</u>	<u>Amount</u>
1. Whitney National Bank	N/A	Checking	\$ 175,825
2. Whitney National Bank	N/A	Certificate	33,805
3. Whitney National Bank	N/A	Certificate	<u>29,389</u>
Total			<u>\$ 239,019</u>

Cash in State Treasury	\$ 0
Petty Cash	\$ 200

Certificates of Deposit (Investments):

At June 30, 2009 the Board held "investments", which were actually two certificates of deposit at Whitney National Bank located in the Baton Rouge area. Both certificates of deposit are fully insured by federal deposit insurance. Interest rates on each are 1.25%. The fair value and cost of each are equal to the each investment's carrying amount totaling - \$ 63,194. See detail above.

NOTE 3: INVESTMENTS

The Board did not have any investments at June 30, 2009. See footnote 2 for discussion regarding certificates of deposit.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 4: CAPITAL ASSETS

The capital assets used by the Board are included on the Statement of Net Assets and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the Board is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets. Depreciation expense recorded for the year ended June 30, 2009 was \$ 1,871.

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

June 30, 2009	2008	Additions	Retirements	2009
<u>Capital assets, being depreciated:</u>				
Vehicles	\$ 20,284	\$ -	\$ -	\$ 20,284
Office equipment	11,341	-	-	11,341
Computer equipment		14,034		14,034
Total	31,625	14,034	-	45,659

ACCUMULATED DEPRECIATION

Fiscal Year Ending	Ending Balance			Ending Balance
June 30, 2009	2008	Additions	Retirements	2009
<u>Capital assets, being depreciated:</u>				
Vehicles	20,284	-		20,284
Office equipment	11,341	-	-	11,341
Computer equipment	-	1,871		1,871
Total	31,625	1,871	-	33,496
NET BOOK VALUE	\$ -			\$ 12,163

NOTE 5: RETIREMENT SYSTEM

The employees of the Board are members of the Louisiana State Employees Retirement System (LASERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. LASERS provides retirement, disability and survivors' benefits to plan members and beneficiaries. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in LASERS, with employee benefits vesting after 10 years of service. Article 10, Section

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

RETIREMENT SYSTEM (CONTINUED)

29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature.

LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by contacting the Louisiana State Employee Retirement System at P.O. Box 44213, Baton Rouge, Louisiana 70804-4213 or by calling (225) 922-0600.

Contribution requirements of plan members and the Board are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate to equal the actuarially required employer contribution as set forth in Louisiana Revised Statute 11:102.

Employees are required by the state to contribute 7.5% of their annual covered salaries (unless employed after July 1, 2006 – the rate is 8%), and the Board is required to make employer contributions based on an actuarially determined rate. The employer rate for the years ended June 30, 2009, 2008 and 2007 were 18.5%, 20.4% and 19.1%, respectively, of annual covered payroll. The Board's employer contributions to the System for the years ended June 30, 2009, 2008 and 2007 were \$ 27,649, \$ 32,728, and \$23,575, respectively, and these amounts equaled the required contributions for those years.

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

NOTE 6: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan description

Louisiana State employees may participate in the State's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for FY 2009) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 provides the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in Louisiana Comprehensive Annual Financial Report (CAFR).

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

POSTRETIREMENT HEALTH CARE AND OTHER BENEFITS (Continued)

You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The plan is currently financed on a pay-as-you-go basis. The contribution requirements of plan members and the Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage.

Annual OPEB Cost

The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period was used. For 2009, the Board's annual other postemployment benefit (OPEB) cost of 37,463 consisted of the following: (ARC \$37,300 plus interest of \$3,640 less ARC adjustment of \$3,477). The Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2009 and 2008 were as follows:

Year <u>Ended</u>	Annual <u>OPEB Cost</u>	Percent of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
6/30/2008	\$113,600	20.04%	\$ 91,000
6/30/2009	\$ 37,463	51.02%	\$ 109,350

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008, was as follows (in thousands):

Actuarial accrued liability (AAL)	\$ 496,100
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	496,100
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employee covered by the plan)	\$ 88,600
UAAL as a percentage of covered payroll	559.93%

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

POSTRETIREMENT HEALTH CARE AND OTHER BENEFITS (Continued)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The Board's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2009, was twenty-nine years.

NOTE 7: LEASES

Annual Commitments under Operating Lease

The Board had the following operating leases in effect as of and for the year ended June 30, 2009:

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

LEASES (Continued)

The Baton Rouge office space is located at 12497 Airline Highway. The lease agreement requires monthly payments in the amount of \$3,333 through December 31, 2011.

Rent expense recorded for the fiscal year ended June 30, 2009 was \$ 37,009.

Annual lease commitments are as follows:

For the fiscal year ending on June 30:	
2010	40,000
2011	40,000
2012	<u>20,000</u>
Total minimum lease commitments	<u>\$100,000</u>

NOTE 8: NET ASSETS

Net assets represent the difference between assets and liabilities. The composition of net assets was as follows:

Unrestricted	\$ 112,992
Invested in capital assets	<u>12,163</u>
Total Net Assets	<u>\$ 125,155</u>

As of June 30, 2009, none of the Board's net asset balance was restricted.

NOTE 9: PER DIEM PAID TO BOARD MEMBERS

The schedule of per diem payments to Board members is presented in compliance with Louisiana State Law. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$ 75 per day.

<u>Commissioner</u>	<u>No. of Days</u>	<u>Amount Paid</u>
Jerry L. Payne	6	\$ 450
John P. Thomas	6	450
Rickey L. Fabra	17	1,275
Johnny Gypin	8	600
Wendall R. Guillot	3	<u>225</u>
Total		<u>\$ 3,000</u>

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 10: COMPENSATED ABSENCES

Compensated absences are recorded as current and non-current liabilities. The following is a summary of the accrued annual leave liability changes during the year:

Accrued annual leave	
at June 30, 2008	\$ 7,827
Net change	<u>4,818</u>
Accrued annual leave	
at June 30, 2009	<u>\$12,645</u>

REQUIRED SUPPLEMENTARY INFORMATION

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/2007	\$0	\$2,229,200	\$2,229,200	0%	\$133,203	1,674%
07/01/2008	\$0	\$ 496,100	\$ 496,100	0%	\$ 88,600	559.93%

OTHER SUPPLEMENTARY SCHEDULES

**SCHEDULES REQUIRED BY THE DIVISION OF ADMINISTRATION,
OFFICE OF
STATEWIDE REPORTING AND ACCOUNTING POLICY**

STATE PLUMBING BOARD OF LOUISIANA
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2009

C O N T E N T S

AFFIDAVIT

Statements

MD&A (See audit report pages 3 – 7)

Balance Sheet A

Statement of Revenues, Expenses, and Changes in Fund Net Assets B

Statement of Activities (Additional information in Appendix B) C

Statement of Cash Flows D

Notes to the Financial Statements

- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (See Appendix C)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Other Postemployment Benefits (Additional information in Appendix D)
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Revenues or Receivables – Pledged or Sold (GASB 48) (See Appendix E)
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Assets
- BB. Net Assets Restricted by Enabling Legislation (See Appendix F)
- CC. Impairment of Capital Assets (See Appendix G)
- DD. Employee Termination Benefits
- EE. **Pollution Remediation Obligations**

Schedules

- 1 Schedule of Per Diem Paid to Board Members

- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see Appendix H)

Appendix

- A General Instructions for Preparation of the Consolidated BTA AFR
- B Instructions for the Simplified Statement of Activities
- C Information for Note C – Deposits with Financial Institutions & Investments
- D Information for Note I – Other Postemployment Benefits
- E Information for Note Q – Revenues or Receivables – Pledged or Sold (GASB 48)
- F Information for Note BB – Net Assets Restricted by Enabling Legislation
- G Information for Note CC – Impairment of Capital Assets
- H Information for Schedule 16 – Cooperative Endeavors

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2009

State Plumbing Board of Louisiana
12497 Airline Highway
Baton Rouge, LA 70817

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

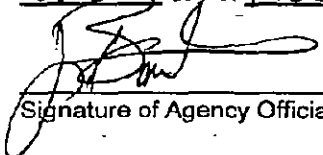
Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

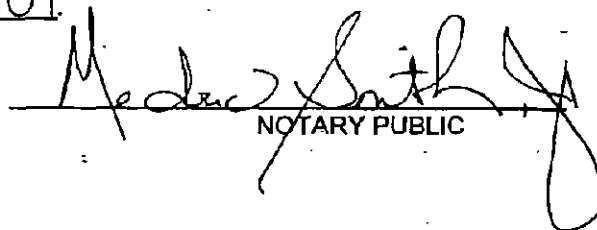
AFFIDAVIT

Personally came and appeared before the undersigned authority, Mr. John Barker, Executive Director of the State Plumbing Board of Louisiana, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the State Plumbing Board of Louisiana at June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this

27th day of August, 2009.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: HIENZ & MACALUSO, LLC

Title: CERTIFIED PUBLIC ACCOUNTANTS

Telephone No.: 504 837-5434

Date: August 26, 2009

Email Address: rhienz@hienzmacaluso.com

MEDRIC SMITH, JR.
Notary Public
Parish of Iberville, State of Louisiana
Notary Identification #11740.
My Commission is issued for Life.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
BALANCE SHEET
AS OF JUNE 30, 2009**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 194,048
Certificates of deposit	63,184
Receivables (net of allowance for doubtful accounts)(Note U)	10,698
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	267,940

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	12,163
Infrastructure	
Construction-in-progress	
Other noncurrent assets	
Total noncurrent assets	12,163
Total assets	\$ 280,103

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 11,978
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	20,975
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
Other long-term liabilities	
Total current liabilities	32,953

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	12,645
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
OPEB payable	109,350
Other long-term liabilities	
Total noncurrent liabilities	121,995
Total liabilities	154,948

NET ASSETS

Invested in capital assets, net of related debt	12,163
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	112,992
Total net assets	125,155
Total liabilities and net assets	\$ 280,103

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

Statement B

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	624,073
Other	_____
Total operating revenues	624,073
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	594,282
Depreciation	1,871
Amortization	_____
Total operating expenses	596,153
Operating income(loss)	27,920
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	1,315
Other expense	_____
Total non-operating revenues(expenses)	1,315
Income(loss) before contributions, extraordinary items, & transfers	29,235
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	29,235
Total net assets – beginning	95,920
Total net assets – ending	\$ 125,155

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Statement C

See Appendix B for instructions

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 596,153	\$ 624,073	\$	\$	\$ 27,920
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					1,315
Miscellaneous					
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					1,315
Change in net assets					29,235
Net assets - beginning as restated					95,920
Net assets - ending					\$ 125,155

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

**Statement D
(continued)**

Cash flows from operating activities		
Cash received from customers	\$ 611,978	
Cash payments to suppliers for goods and services	(225,594)	
Cash payments to employees for services	(355,514)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		30,870
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(14,034)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(14,034)
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		-
Net increase(decrease) in cash and cash equivalents		16,836
Cash and cash equivalents at beginning of year		177,212
Cash and cash equivalents at end of year	\$	194,048

Statement D
(concluded)

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$ 27,920
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	1,871
Provision for uncollectible accounts	
Other	
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	(6,395)
(Increase)decrease in due from other funds	
(Increase)decrease in prepayments	
(Increase)decrease in inventories	
(Increase)decrease in other assets	
Increase(decrease) in accounts payable and accruals	(10,158)
Increase(decrease) in compensated absences payable	4,818
Increase(decrease) in due to other funds	
Increase(decrease) in deferred revenues	(5,700)
Increase(decrease) in OPEB payable	18,514
Increase(decrease) in other liabilities	
Net cash provided(used) by operating activities	\$ 30,870

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	\$ -

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

INTRODUCTION

The State Plumbing Board of Louisiana, (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1361-1380. The Board is under the control of the Department of Labor and is a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board is composed of eight (8) members appointed by the Governor of Louisiana for a term of six years. The Board consists of one registered engineer, one plumbing inspector, three master plumbers, and three journeyman plumbers. Each appointment is made from a list of three names submitted by the following:

- The registered engineer and the plumbing inspector by the president of the Louisiana State Board of Health;
- Master plumbers by the Louisiana Association of Plumbing, Heating and Cooling Contractors of Louisiana or its successors;
- Journeyman plumbers by the Louisiana Pipe Trades Association or its successors.

The Board elects from its members a chairman, a vice chairman and a secretary-treasurer for two year terms; the election to be held within thirty days of July 1 in each odd numbered year. The chairman shall vote only in a case of a tie.

As authorized by Louisiana Revised Statute 37:1364, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$ 75.00 per day plus actual expenses. Mileage to and from the member's domicile to the place of the meeting or when otherwise required to travel for official authorized business of the board shall be reimbursed at the rate set by the Division of Administration for state employees pursuant to L.R.S. 39:231.

The Board is charged with the responsibility of licensing and regulating any person engaged in the following trades or businesses in the State of Louisiana:

- Plumbing installation or plumbing work of any character (journeyman plumber)
- Business of a master plumber
- Apprentice plumber
- Installing piping used solely to transport gases for medical purposes

The Board's main office is located in Baton Rouge, Louisiana. The Board's operations are funded entirely through annual self-generated revenues.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. The board applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments*. This new standard was implemented by the Board in 2001 and provides for significant changes in terminology, recognition of

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

Reporting Entity

The State of Louisiana is the governing authority and the governmental financial reporting entity for the Board. The financial reporting entity consists of:

- ❖ The primary government (State of Louisiana)
- ❖ Organizations for which the primary government is financially accountable
- ❖ Other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- ❖ Appointing a voting majority of an organization's governing body, and
 - The ability of the State of Louisiana to impose its will on that organization, and/or
 - The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State of Louisiana.
- ❖ Organizations, for which the State of Louisiana does not appoint a voting majority, but are fiscally dependent on the State of Louisiana.
- ❖ Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the state has the ability to significantly influence the designation of management by the Governor appointing the Board members, and public service is rendered within the state's boundaries. The accompanying financial statements represent activity of the Board, and, therefore, are a part of the fund and account group structure of the State of Louisiana and its basic financial statements.

Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations. Basis of Accounting refers to when revenues and expenses are recognized and reported in the financial statements. The accounting and financial reporting treatment applied to the Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

measurement focus. With this measurement focus, all assets and all liabilities associated with operations are included in the Statement of Net Assets.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenue, including all fees and interest revenue of the Board are recognized in the accounting period in which they are earned and become measurable. Operating revenues currently consist of all revenues except interest and "other" revenues.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable. Operating expenses currently consist of all expenses.

B. BUDGETARY ACCOUNTING – NOT APPLICABLE

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix C for information related to Note C.

Cash in banks

For reporting purposes, deposits with financial institutions include cash reported on the balance sheet. Under state law, the Board may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposits of state banks organized under the laws of Louisiana, the laws of any other state of the union, or the laws of the United States. Louisiana statutes permit the Board to invest in United States bonds, treasury notes, certificates, or other obligations and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in Louisiana.

GASB Statement No. 40, which amended GASB Statement No. 3, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

- 1) uninsured and uncollateralized,
- 2) uninsured and collateralized with securities held by the pledging financial institution or
- 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

The Board has no deposits that are required to be reported in the three categories listed above.

DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal bank agent must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The carrying amount of all cash on the Statement of Net Assets totaled \$ 257,242 at June 30, 2009, with petty cash of \$ 200 included in that figure. The bank balance per the bank statement totaled \$ 175,825 at June 30, 2009.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

The following is the banking institution, program, and amount of the bank balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Type</u>	<u>Amount</u>
1. Whitney National Bank	N/A	Checking	\$ 175,825
2. Whitney National Bank	N/A	Certificate	33,805
3. Whitney National Bank	N/A	Certificate	<u>29,389</u>
Total			<u>\$ 239,019</u>
Cash in State Treasury	\$ 0		
Petty Cash	\$ 200		

Certificates of Deposit (Investments):

At June 30, 2009 the Board held "investments", which were actually two certificates of deposit at Whitney National Bank located in the Baton Rouge area. Both certificates of deposit are fully insured by federal deposit insurance. Interest rates on each are 1.25%. The fair value and cost of each are equal to the each investment's carrying amount totaling - \$ 63,194. See detail above.

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books (Balance Sheet)	\$ 194,048	\$ 63,194	\$	\$ 257,242
Deposits in bank accounts per bank	\$ 175,825	\$ 63,194	\$	\$ 239,019
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$	\$	\$	\$ -

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Whitney National Bank	State Licensing Board	\$ 239,019
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 239,019

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	<u> </u>
Petty cash	\$	<u>200.00</u>

2. INVESTMENTS – NOT APPLICABLE
3. DERIVATIVES – NOT APPLICABLE
4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES – NOT APPLICABLE
5. POLICIES – NOT APPLICABLE
6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

Year ended June 30, 2009								
	Prior Period Adjustments			Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements	Balance 6/30/2009
	Balance 6/30/2008	Adj. after submitted to OSRAP (+or-)	Restatements (+or-)					
Capital assets not being depreciated								
Land	\$	\$	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements								
Capitalized collections								
Construction in progress								
Total capital assets not being depreciated								
Other capital assets								
Machinery and equipment	31,625			31,625	14,034			45,659
Less accumulated depreciation	(31,625)			(31,625)	(1,871)			(33,496)
Total Machinery and equipment					12,163			12,163
Buildings and improvements								
Less accumulated depreciation								
Total buildings and improvements								
Depreciable land improvements								
Less accumulated depreciation								
Total depreciable land improvements								
Infrastructure								
Less accumulated depreciation								
Total infrastructure								
Total other capital assets					12,163			12,163
Capital Asset Summary:								
Capital assets not being depreciated								
Other capital assets, at cost	31,625			31,625	14,034			45,659
Total cost of capital assets	31,625			31,625	14,034			45,659
Less accumulated depreciation	(31,625)			(31,625)	(1,871)			(33,496)
Capital assets, net	\$	\$	\$	\$	12,163	\$	\$	12,163

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

E. INVENTORIES – NOT APPLICABLE

F. RESTRICTED ASSETS – NOT APPLICABLE

G. LEAVE

1. COMPENSATED ABSENCES

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE – NOT APPLICABLE

H. RETIREMENT SYSTEM

The employees of the Board are members of the Louisiana State Employees Retirement System (LASERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. LASERS provides retirement, disability and survivors' benefits to plan members and beneficiaries. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in LASERS, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature.

LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by contacting the Louisiana State Employee Retirement System at P.O. Box 44213, Baton Rouge, Louisiana 70804-4213 or by calling (225) 922-0600.

Contribution requirements of plan members and the Board are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate to equal the actuarially required employer contribution as set forth in Louisiana Revised Statute 11:102.

Employees are required by the state to contribute 7.5% of their annual covered salaries (unless employed after July 1, 2006 – the rate is 8%), and the Board is required to make employer contributions based on an actuarially determined rate. The employer rate for the years ended June 30, 2009, 2008 and 2007 were 18.5%, 20.4% and 19.1%, respectively, of annual covered payroll. The Board's employer contributions to the System for the years ended June 30, 2009, 2008 and 2007 were \$ 27,649, \$ 32,728, and \$23,575, respectively, and these amounts equaled the required contributions for those years.

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Calculation of Net OPEB Obligation

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Fiscal year ending	6/30/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	\$37,300
2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website)	91,000
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	\$3,640
5. ARC adjustment (2./3.)	\$3,477
6. Annual OPEB expense (1. + 4. - 5.)	\$37,463
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)	\$19,113
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	
9. **NOO, end of year (2. + 6. - 7 +or-8.)	\$109,350

* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

**This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2009 if your entity's only OPEB is administered by OGB.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2009 amounted to \$37,009. A schedule of payments for operating leases follows:

Nature of lease	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015-2019	FY 2020-2024
Office Space	\$ 40,000	\$ 40,000	\$ 20,000	\$	\$	\$	\$
Equipment							
Land							
Other							
Total	\$ 40,000	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES – NOT APPLICABLE

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:
(Balances at June 30th should include current and non-current portion of long-term liabilities.)

	<u>Year ended June 30, 2009</u>			<u>Balance June 30, 2009</u>	<u>Amounts due within one year</u>
	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ -	\$
Bonds payable				-	
Total notes and bonds	<u>-</u>	<u>--</u>	<u>--</u>	<u>-</u>	<u>--</u>
Other liabilities:					
Contracts payable				-	
Compensated absences payable	7,827	4,818		12,645	
Capital lease obligations				-	
Claims and litigation				-	
OPEB payable	90,836	18,514		109,350	
Other long-term liabilities				-	
Total other liabilities	<u>98,663</u>	<u>23,332</u>	<u>--</u>	<u>121,995</u>	<u>--</u>
Total long-term liabilities	<u>\$ 98,663</u>	<u>\$ 23,332</u>	<u>\$ --</u>	<u>\$ 121,995</u>	<u>\$ --</u>

L. CONTINGENT LIABILITIES – NOT APPLICABLE

M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE

N. ACCOUNTING CHANGES – NOT APPLICABLE

O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE

P. DEFEASED ISSUES – NOT APPLICABLE

Q. REVENUES – PLEDGED OR SOLD (GASB 48) - NOT APPLICABLE

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) - NOT APPLICABLE

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – NOT APPLICABLE

T. SHORT-TERM DEBT – NOT APPLICABLE

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2009, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Licensing Board	\$ 10,698.00	\$	\$	\$	\$ 10,698.00
					-
Gross receivables	\$ -	\$ -	\$ -	\$ -	\$ -
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Licensing Board	\$ 3,562	\$ 8,416	\$	\$	\$ 11,978
					-
Total payables	\$ 3,562	\$ 8,416	\$ -	\$ -	\$ 11,978

W. SUBSEQUENT EVENTS – NOT APPLICABLE

X. SEGMENT INFORMATION – NOT APPLICABLE

Y. DUE TO/DUE FROM AND TRANSFERS – NOT APPLICABLE

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – NOT APPLICABLE

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) – NOT APPLICABLE

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – NOT APPLICABLE

DD. EMPLOYEE TERMINATION BENEFITS – NOT APPLICABLE

EE. POLLUTION REMEDIATION OBLIGATIONS (BTA) – NOT APPLICABLE

Name		Amount
Jerry Payne	\$	450
John P. Thomas		450
Rickey L. Fabra		1,275
Johnny Gypin		600
Wendall R. Guillot		225
Total	\$	3,000

SCHEDULE 1

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2009**

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2009**

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2009**

NOT APPLICABLE

<u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2010	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u> --
2011	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2012	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2013	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2014	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2015-2019	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2020-2024	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2025-2029	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2030-2034	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
 Total	 \$ <u> </u> --	 \$ <u> </u> --	 \$ <u> </u> --	 \$ <u> </u> --

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2009

NOT APPLICABLE

Fiscal Year Ending:	Principal	Interest
2010	\$ _____	\$ _____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
2030-2034	_____	_____
Total	\$ _____ -	\$ _____ --

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2009**

NOT APPLICABLE

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ _____	\$ _____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
Total	\$ _____ <u>—</u>	\$ _____ <u>--</u>

SCHEDULE 4-C

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2009
NOT APPLICABLE

Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(Negative)
Revenues:				
Intergovernmental Revenues	\$	\$	\$	\$
Federal Funds		-		-
Sales of Commodities and Services		-		-
Other		-		-
Total appropriated revenues	-	-	-	-
Expenses:				
Cost of goods sold	\$	\$	\$	\$
Personal services		-		-
Travel		-		-
Operating Services		-		-
Supplies		-		-
Professional services		-		-
Other charges		-		-
Capital outlay		-		-
Interagency transfers		-		-
Debt service		-		-
Other:				
Bad debts		-		-
Depreciation		-		-
Compensated absences		-		-
Interest expense		-		-
Other (identify)		-		-
Total appropriated expenses	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$ -	\$ -	\$ -	\$ -

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.
SCHEDULE 5

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
June 30, 2009**

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____

NOT APPLICABLE

Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>625,388</u>	\$ <u>646,857</u>	\$ <u>(21,469)</u>	\$ <u>(3.32%)</u>
Expenses	<u>596,153</u>	<u>752,107</u>	<u>(155,954)</u>	<u>(20.74%)</u>
2) Capital assets	<u>12,163</u>	<u>0</u>	<u>12,163</u>	<u>N/A</u>
Long-term debt	<u>121,995</u>	<u>98,663</u>	<u>23,332</u>	<u>23.65%</u>
Net Assets	<u>125,155</u>	<u>95,920</u>	<u>29,235</u>	<u>30.48%</u>

Explanation for change: _____

AGENCY NUMBER _____
AGENCY NAME _____

[illegible]

OTHER REPORTS REQUIRED BY . .
GOVERNMENT AUDITING STANDARDS



Independent Auditors' Report
on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

**To the Board Members of the
State Plumbing Board of Louisiana
Department of Labor, State of Louisiana
Baton Rouge, LA 70817**

We have audited the financial statements of the business-type activities of the State Plumbing Board of Louisiana (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements and have issued our report thereon dated August 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the

Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control. We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting (Findings 2009-1, 2009-2, 2009-3, 2009-4 and 2009-5).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.


Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2009-5 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2009-1, 2009-2, 2009-3, 2009-4 and 2009-5.

The Board's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the State Plumbing Board of Louisiana and its management, federal and state awarding agencies and pass-through entities and the Legislative Auditor of Louisiana and is not intended to be, and should not be, anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


HIENZ & MACALUSO, LLC
Metairie, LA
August 26, 2009

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

We have audited the basic financial statements of the State Plumbing Board of Louisiana ("Board") as of and for the year ended June 30, 2009, and have issued our report thereon dated August 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2009 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements:

Internal Control:

Material Weaknesses – YES: Finding 2009-5

Significant Deficiencies - YES; Finding 2009-1 through 2009-5

Compliance and other matters:

Noncompliance Material to the Financial Statements – YES; Findings 2009-1 through 2009-5

b. Federal Awards:

Not applicable

Section II - Financial Statement Findings

Finding 2009-1 Supporting receipts for credit card purchases

Finding:

We discovered that in several instances supporting receipts for credit card purchases were not available for our review. The Board paid the credit card statement balance based on the charges that appeared on the statement. In some instances we could not determine what was purchased from the description on the statement.

Recommendation:

All receipts related to credit card purchases should be turned in to the Board's accountant in a timely fashion. The receipts should be reviewed and a determination made that the purchase was for a valid "business" purpose. These receipts should then be reconciled with the credit card statement received at the end of the month.

Corrective Action:

A new procedure has been implemented and credit card receipts will be collected on a bi-weekly schedule. This should eliminate lost or misplaced receipts.

Finding 2009-2 Mileage reimbursement

Finding:

We noted instances where the Board did not follow the Louisiana State Travel Policy pertaining to mileage reimbursement.

Recommendation:

We recommend the Board review Louisiana law related to travel policies. The Board should implement policies for mileage reimbursement that conform to the Louisiana Revised Statutes.

Corrective Action:

Major changes to the enforcement division were made in the 2008-2009 year. The Board has a few more changes to make that will eliminate the mileage reimbursement problem. Changes were also made to the mileage reimbursement forms and we have one more to add for the 2009-2010 year that will improve our mileage reimbursement policy.

Finding 2009-3 Home storage/personal assignment of a state vehicle

Finding:

We determined that the executive director for the Board keeps this vehicle off-site at his personal residence after normal business hours. This is in violation of the Louisiana Administrative Code (LAC), Title 34, Part XI under Fleet Management.

Recommendation:

We recommend the Board review the Louisiana Administrative Code related to home storage/personal assignment of a state fleet vehicle. The Board should implement policies that conform to the Louisiana Administrative Code.

Corrective Action:

This has been an ongoing issue that was worked on throughout the year without the anticipated outcome. The executive director has plans to meet with the Commissioner of Administration to discuss the need for home storage due to the circumstances of his travel.

Finding 2009-4 LA Licensing Agency Budget Act

Finding:

Louisiana Revised Statutes 39:1331-1342 requires each licensing agency to submit to the Joint Legislative Committee (the Committee) on the Budget an annual comprehensive budget presenting a complete financial plan for the ensuing fiscal year. These statutes further require the Board to notify the Committee in writing of any increase or decrease in the submitted budget if the change will constitute, individually or as an aggregate when considered together with all prior increases or decreases in the same fiscal year, five (5) percent of the total dollars in the budget as submitted. The Board's budgeted to actual variances for 2009 exceeded the five percent provided by state law. The Board did not, as required by state law, amend the budget or notify the Committee of these changes.

Recommendation:

We recommend the Board monitor budget to actual amounts more closely and take appropriate action to comply with the Louisiana Licensing Agency Budget Act when necessary.

Corrective Action:

For the 2009-2010 year a schedule has been made to meet with the Board's CPA to discuss the budget and have a policy in place to better document the changes made that affect the budget. We will be able to monitor the budget better and for the fiscal years to come those changes can be submitted to the Joint Legislative Committee.

Finding 2009-5 Accounting procedures

Finding:

We discovered that the performance of accounting functions, including bank reconciliations and bank deposits, are not performed in a timely manner. The effect is such that material misstatements or fraud could occur and not be detected in a timely manner and current financial data cannot be generated to analyze the Board's financial position at any given time.

Recommendation:

We recommend the Board develop accounting procedures that include a timeline to complete daily, weekly, and monthly processing of accounting transactions.

Corrective Action:

Many changes and policies have been made in the 2008-2009 year to better compare the data in the accounting software and the licensing database. With the new database still being added to and improved regularly our accounting procedures will continue to improve.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

Section IV - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2009.

REPORTS BY MANAGEMENT

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

Section I – Internal Control and Compliance to the Financial Statements

Finding 2008-1 Supporting receipts for credit card purchases

Finding:

We discovered that in several instances supporting receipts for credit card purchases were not available for our review. The Board paid the credit card statement balance based on the charges that appeared on the statement. In some instances we could not determine what was purchased from the description on the statement.

Recommendation:

All receipts related to credit card purchases should be turned in to the Board's accountant in a timely fashion. The receipts should be reviewed and a determination made that the purchase was for a valid "business" purpose. These receipts should then be reconciled with the credit card statement received at the end of the month.

Corrective Action:

The Board will diligently monitor credit card purchases and require employees that use Board credit cards to turn in actual receipts for those purchases.

Finding 2008-2 Mileage reimbursement

Finding:

We noted several instances where the Board did not follow the Louisiana State Travel Policy pertaining to mileage reimbursement.

Recommendation:

We recommend the Board review Louisiana law related to travel policies. The Board should implement policies for mileage reimbursement that conform to the Louisiana Revised Statutes.

Corrective Action:

The Board will develop policies for mileage reimbursement that conform to Louisiana Revised Statutes. Employees will be required to adhere to these policies in order to receive reimbursement.

Finding 2008-3 Home storage/personal assignment of a state vehicle

Finding:

We determined that the executive director for the Board keeps this vehicle off-site at his personal residence after normal business hours. This is in violation of the Louisiana Administrative Code (LAC), Title 34, Part XI under Fleet Management.

Recommendation:

We recommend the Board review the Louisiana Administrative Code related to home storage/personal assignment of a state fleet vehicle. The Board should implement policies that conform to the Louisiana Administrative Code.

Corrective Action:

The Board will develop policies for fleet management that conform to Louisiana Administrative Code.

Finding 2008-4 LA Licensing Agency Budget Act

Louisiana Revised Statutes 39:1331-1342 requires each licensing agency to submit to the Joint Legislative Committee (the Committee) on the Budget an annual comprehensive budget presenting a complete financial plan for the ensuing fiscal year. These statutes further require the Board to notify the Committee in writing of any increase or decrease in the submitted budget if the change will constitute, individually or as an aggregate when considered together with all prior increases or decreases in the same fiscal year, five (5) percent of the total dollars in the budget as submitted. The Board's budgeted to actual variances for 2008 exceeded the five percent provided by state law. The Board did not, as required by state law, amend the budget or notify the Committee of these changes.

The Board will closely monitor actual revenues and expenditures during the year. Management will review financial statements to identify amounts greater than the 5% variance allowed and recommend amending the budget accordingly.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2008.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2009**

Section I – Internal Control and Compliance Material to the Financial Statements

Finding 2009-1 Supporting receipts for credit card purchases

Finding:

We discovered that in several instances supporting receipts for credit card purchases were not available for our review. The Board paid the credit card statement balance based on the charges that appeared on the statement. In some instances we could not determine what was purchased from the description on the statement.

Recommendation:

All receipts related to credit card purchases should be turned in to the Board's accountant in a timely fashion. The receipts should be reviewed and a determination made that the purchase was for a valid "business" purpose. These receipts should then be reconciled with the credit card statement received at the end of the month.

Corrective Action:

A new procedure has been implemented and credit card receipts will be collected on a bi-weekly schedule. This should eliminate lost or misplaced receipts.

Finding 2009-2 Mileage reimbursement

Finding:

We noted several instances where the Board did not follow the Louisiana State Travel Policy pertaining to mileage reimbursement.

Recommendation:

We recommend the Board review Louisiana law related to travel policies. The Board should implement policies for mileage reimbursement that conform to the Louisiana Revised Statutes.

Corrective Action:

Major changes to the enforcement division were made in the 2008-2009 year. The Board has a few more changes to make that will eliminate the mileage reimbursement problem. Changes were also made to the mileage reimbursement forms and we have one more to add for the 2009-2010 year that will improve our mileage reimbursement policy.

Finding 2009-3 Home storage/personal assignment of a state vehicle

Finding:

We determined that the executive director for the Board keeps this vehicle off-site at his personal residence after normal business hours. This is in violation of the Louisiana Administrative Code (LAC), Title 34, Part XI under Fleet Management.

Recommendation:

We recommend the Board review the Louisiana Administrative Code related to home storage/personal assignment of a state fleet vehicle. The Board should implement policies that conform to the Louisiana Administrative Code.

Corrective Action:

This has been an ongoing issue that was worked on throughout the year without the anticipated outcome. The executive director has plans to meet with the Commissioner of Administration to discuss the need for home storage due to the circumstances of his travel.

Finding 2009-4 LA Licensing Agency Budget Act

Finding:

Louisiana Revised Statutes 39:1331-1342 requires each licensing agency to submit to the Joint Legislative Committee (the Committee) on the Budget an annual comprehensive budget presenting a complete financial plan for the ensuing fiscal year. These statutes further require the Board to notify the Committee in writing of any increase or decrease in the submitted budget if the change will constitute, individually or as an aggregate when considered together with all prior increases or decreases in the same fiscal year, five (5) percent of the total dollars in the budget as submitted. The Board's budgeted to actual variances for 2009 exceeded the five percent provided by state law. The Board did not, as required by state law, amend the budget or notify the Committee of these changes.

Recommendation:

We recommend the Board monitor budget to actual amounts more closely and take appropriate action to comply with the Louisiana Licensing Agency Budget Act when necessary.

Corrective Action:

For the 2009-2010 year a schedule has been made to meet with the Board's CPA to discuss the budget and have a policy in place to better document the changes made that affect the budget. We will be able to monitor the budget better and for the fiscal years to come those changes can be submitted to the Joint Legislative Committee.

Finding 2009-5 Accounting procedures

Finding:

We discovered that the performance of accounting functions, including bank reconciliations and bank deposits, are not performed in a timely manner. The effect is such that material misstatements or fraud could occur and not be detected in a timely manner and current financial data cannot be generated to analyze the Board's financial position at any given time.

Recommendation:

We recommend the Board develop accounting procedures that include a timeline to complete daily, weekly, and monthly processing of accounting transactions.

Corrective Action:

Many changes and policies have been made in the 2008-2009 year to better compare the data in the accounting software and the licensing database. With the new database still being added to and improved regularly our accounting procedures will continue improve.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2009.